

FORM NO.  
DEC 1951 51-48

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CENTRAL INTELLIGENCE AGENCY  
**INFORMATION REPORT**

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COUNTRY China

SUBJECT Conditions in Lun Kwi Li, Kwangtung Province

PLACE ACQUIRED  
(BY SOURCE)

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DATE ACQUIRED  
(BY SOURCE)

DATE (OF INFO.) 1953 and earlier

ORR NO.	
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OCI NO.	

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- In spite of limitations on travel and on mail, news continues to come out of [redacted] Lun Kwi Li in the Toy-Shan District of Kwangtung Province. For example I have recently heard that "many" soldiers who have been brought back from Korea are now stationed in Kwangtung Province. There are also many wounded and crippled soldiers from Korea being kept in clubs and big buildings in various towns and villages in the area.
- Doctors are forced to take care of the wounded soldiers for nothing.
- There are also said to be some Soviet soldiers in the area although I have not heard exactly where. However, they are very closely restricted to quarters and are not permitted to get out on the streets of the towns and villages near which they are located. In this connection I have heard that young girls of about high school age are now being taken from schools in those areas and sent to the Soviet camps for entertainment of the troops. There are quotas of girls established for schools and the principal of a school is a dead man if he does not meet his quota.
- Discontent of the people has grown and there was much talk during the fighting in Korea along the line of, "What are we fighting for, why should we fight for the Russians and get killed for nothing?"
- However as of 1953 there is nothing that the people can do as all guns and even knives were confiscated by the Communists and the Communists have soldiers with machine guns posted on buildings in towns and cities.
- Living conditions are getting steadily worse. For example there is a great shortage of cooking oil in the Lun Kwi Li area. There is just none available.
- Many farmers are leaving the land and leaving crops spoil rather than work. They are saying that at first the Communists killed the rich and now they are working the poor to death. They say that whether the farmer has a good crop or not he still has to give most of it to the Communists, so why work at all.

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7. The farmers are also very unhappy about the fact that even if they did have a crop that would be worth the equivalent of US\$500 they would have to sell it to government officials for US\$200 and the officials in turn would sell it for US\$500.
8. Controls on the people are very strict and heavy fines are levied for minor infractions of regulations. For example in Lun Kwi Li, an old man [REDACTED] has a store. The old man's son-in-law came to visit him for about a month and he likewise ate in the store. As a consequence the old man was arrested and sent to jail for a month as the Communists said that the son-in-law had eaten for one month at the store's expense. They accused the old man of deliberately fooling the government by charging the expenses of the son-in-law's food to the store, thus paying less taxes. 25X1X
9. For this crime the old man was fined the equivalent of US\$50 thousand in local currency, in addition to his jail sentence.
10. In the event a family has a visitor they must report at once to the police and say there is one more person at their house. They must tell who the visitor is, where he is from, and his pass number.
11. As of 1953 everyone in the Lun Kwi Li area, and I imagine everywhere else in China, has to carry a card pass at all times. This gives his name, address, and picture, and indicates his number.
12. There are two kinds of passes, red and black. The black card indicates a person is in disgrace because he at one time worked for the Nationalist government, had relatives who escaped to Formosa, was a landlord, etc. People who have black passes can go nowhere and are under constant suspicion.
13. The red pass indicates the "good people", as far as the Communists are concerned. People with red passes can move more freely but still have to report to the police that they are going to make any kind of a trip.
14. The passes are obtained from village authorities. The head of the village government is called the Chairman and he is in charge of issuing the cards. Even children must have these identification cards.
15. Children are also used to a very great degree by the Communists to check passes of people who are walking around the countryside. Children also are told by the Communist police to follow suspects and see where they go and report back immediately to the police. The Communists use children because they believe that people would not suspect that they were being followed by children.
16. When a person makes a trip outside his home village to Canton or other cities he must have two friends or relatives sign up for him as hostages, and their safety depends on his return. It is also necessary to furnish complete particulars as to where you are going, why, and date of return before permission to make a trip is granted.
17. Before the days of Communist control there used to be much travel between Lun Kwi Li and the surrounding area and Canton and Hong Kong. The people would travel by river boat. There used to be one boat a day and the trip would take one day and one night. However, as of 1953, because of the lack of travel and the fact that the shipping company is losing so much money, there is only one boat a week.
18. Many people used to keep money in safe deposit boxes in Hong Kong. The Communists got informers to tell the names of people who were believed to have money in Hong Kong. These people were brought into jail and tortured until they told where they had their money and how much it was. They were then forced to sign cards authorizing the banks to turn the money over to a Communist agent who would call for it. The usual treatment was to hang these people up by the thumbs until they authorized release of the money.

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124.32	N(CL)	107.75	981L
111.2	981L	135	981L

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